

RESOLUTION NO. 13-_____

WHEREAS, the City of Huntsville has experienced a proliferation of businesses that are licensed and authorized to operate under the Alabama Deferred Presentment Services Act and the Alabama Shop Act; and,

WHEREAS, these businesses are known as Title Loan businesses, Payday Loan businesses, Payday Advance businesses, and Car Title Loan businesses; and,

WHEREAS, these businesses utilize predatory lending practices and charge excessive fees and interest that are based on the borrower's assets, such as bank account and regular income stream, rather than the borrower's ability to repay the loan without experiencing further financial problems; and,

WHEREAS, predatory lenders often charge excessive interest rates which result in borrowers paying in excess of 200% interest rates due to being caught in the cycle of trying to repay an unmanageable loan; and,

WHEREAS, predatory lending practices take advantage of the City's elderly citizens as well as citizens that are in a lower economic bracket; and,

WHEREAS, predatory payday lending practices have devastating effects on the citizens of the City of Huntsville and this in turn creates broader economic consequences for the City of Huntsville; and,

WHEREAS, during its 2013 Regular Session, the Alabama Legislature introduced, but did not enact, legislation to further regulate Payday Loan/Title Pawn Loan businesses; and,

WHEREAS, the Alabama legislature has the authority to enact legislation that would further protect the citizens of Huntsville and all of Alabama from predatory lending practices.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Huntsville and its elected officials request that the legislature of Alabama enact legislation in the 2014 legislative session to further regulate predatory lending practices in order to protect the economic well being of the citizens of Alabama.

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NOW, THEREFORE, BE IT FURTHER RESOLVED, the City Council of the City of Huntsville requests that the legislature of Alabama act to protect the citizens of the state of Alabama.

ADOPTED this the _____ day of July, 2013.

President of the City Council of the
City of Huntsville, Alabama

APPROVED this the _____ day of July, 2013.

Mayor of the City of Huntsville,
Alabama